

VZCZCXRO7034
OO RUEHDT RUEHPB
DE RUEHJA #1772/01 2951204
ZNR UUUUU ZZH
O 221204Z OCT 09
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3638
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC

UNCLAS SECTION 01 OF 02 JAKARTA 001772

SIPDIS
SENSITIVE

DEPT FOR EAP, EAP/MTS, EAP/MLS, EAP/RSP, S/ECC, OES
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E.O. 12958: N/A

TAGS: [PREL](#) [KGHG](#) [SENV](#) [ECON](#) [KDEM](#) [ID](#)

SUBJECT: EPA ADMINISTRATOR JACKSON'S OCT. 19-22 JAKARTA VIST

REF: JAKARTA 01765

11. (SBU) SUMMARY: EPA Administrator Lisa Jackson led the Presidential Delegation to President Yudhoyono's October 20 inauguration. On October 21 the Administrator held separate meetings and discussions with key players on the environment. Several officials stated that a U.S.-China deal was the key to success in Copenhagen. Indonesia's Climate Change Council saw forest and peat as the top priority for emissions reduction, which could reduce emissions by 26 percent, the goal that President Yudhoyono announced at the G-20 in Pittsburgh. Representatives of several environmental NGOs agreed with the Administrator that SBY's public commitment to emissions reductions provided an important partnership opportunity and that President Obama was in a position to support President Yudhoyono's goals. October 22 the Administrator visited an air quality monitoring station, a component of Jakarta's clean air initiatives. The Administrator assured all of her interlocutors that she would share their suggestions on future cooperation with the EPA with President Obama. END SUMMARY.

INAUGURATION

12. (SBU) As reported reftel, EPA Administrator Lisa Jackson led the Presidential Delegation to President Yudhoyono and Vice President Boediono's inauguration on October 20. Other members of the delegation were Ambassador Hume and Ambassador Merrill. During his inaugural speech President Yudhoyono highlighted environmental issues facing both Indonesia and the world.

JAKARTA: PARTNERING WITH THE EPA

13. (SBU) On October 20 the Administrator met with key players on the environment. Governor Fauzi Bowo and Administrator Jackson discussed their planned partnership. Areas under consideration for the partnership included air quality, clean fuels and vehicles, clean energy, energy efficiency (particularly in buildings), renewable energy, water and sanitation, waste management, green port construction, public information and education. Bowo welcomed the partnership, explaining that the most difficult challenge he faced was changing the mindset of Jakarta's residents. Much of the conversation focused around "Breathe Easy, Jakarta," an air quality management initiative. The greatest single issue in addressing air pollution was transport, given that the 8-9% annual increase of new vehicles registered was difficult to limit. The central government considered transport to be the backbone of the economy, but the responsibility to reduce pollution had fallen on sub-national governments. In recognition of the imperative to shift to public transportation, Jakarta launched the TransJakarta Busway - the longest busway system in the world and has instituted other measures, such as "Car Free Day."

14. (SBU) Administrator Jackson recognized Jakarta's progressive leadership, and noted that President Obama was very interested in the EPA supporting Jakarta's efforts. The EPA, Jackson noted, could

offer expertise in air quality management, such as air quality monitoring and emissions inventories. She also offered to help facilitate and enhance existing city-to-city partnerships. Jackson stressed the importance of low sulfur fuel regulations. In many areas such as construction of the new port and green building development, she highlighted the opportunity of avoiding costly retrofits.

SENIOR ADVISOR: COPENHAGEN, CHALLENGES, COOPERATION

15. (SBU) In her meeting with Presidential Advisor Emil Salim, Salim stated that China was a key player in achieving success at Copenhagen and asked if U.S. could make an agreement with China. Administrator Jackson said she would carry that message back to Washington. Salim also noted that Indonesia was committed to getting to 26% by 2020, but had not yet calculated the amount of CO2 being absorbed by its oceans, which made up two-thirds of the country.

16. (SBU) Salim highlighted a number of challenges facing Indonesia as it sought to protect the environment. The primary challenge was linking economic growth to environmental concerns. Secondly, Indonesia had a deficit of scientific experts to drive research and development. Lastly, due to decentralization of the government, the district level now had all the power but weak capacity. In response to Salim's question on whether the U.S. model of environmental protection would work in Indonesia, Administrator Jackson explained that the EPA had strong federal laws which most states followed, while a few more progressive states pushed the larger government towards higher standards.

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17. (SBU) Jackson told Salim that she would share his ideas on how the U.S. could partner with Indonesia with President Obama. Salim suggested that the U.S. should consider using Indonesia as a model on how a developing country adapts to climate change. Salim also asked for specific technical assistance on drought-resistant rice and adapting to rising sea levels. Other possible areas for strategic cooperation were technology sharing, educational exchange, and investment in biodiversity protection. Administrator Jackson and Ambassador Hume expressed their concern about food security, specifically related to fisheries, as well as a hope that Indonesia would adopt cleaner fuel standards for international shipping.

NCCC: PEAT DECOMPOSITION, COPENHAGEN, WORKING WITH U.S.

18. (SBU) The National Climate Change Council Secretary Agus Purnomo explained that 85 percent of Indonesia's emissions came from the deforestation, decomposition of open or drained peat, and forest fires. Indonesia had 50 percent of the world's tropical peat, but 58 percent of global emissions from peat decomposition, which amounted to 1.8 gigatons of emissions annually. The cost of reducing forest and peat sector emissions was relatively low. Solutions to peat and forestry emissions lie in poverty alleviation through avoided deforestation programs. Indonesia had a forest management regime, but not a peat land management regime. Purnomo identified three measures in this sector that could attain Yudhoyono's 26% reduction target: a) sustainable forest management in production forests (drylands), b) a REDD program on smallholder dry land forest that includes alternative income for the poor, and c) peat land forest management. Although emissions from energy generation and transport were expected to rise, both areas are second priorities to reducing emissions from forestry and peat.

19. (SBU) In line with Salim, Purnomo also believed that the toughest issue for Copenhagen was agreement between the U.S. and China on national binding commitments. Indonesia communicates often with China, but U.S. leadership was crucial to achieving a breakthrough. Purnomo also noted NCCC's desire to invite Al Gore to Indonesia, and Administrator Jackson agreed to convey this message.

NGOS: HIGHLIGHT PROBLEMS, SUGGEST SOLUTIONS, WELCOME EPA

110. (SBU) At a roundtable with representatives from environment

focused NGOs, the participants outlined both problems and solutions.

Several NGOs said that transportation in Indonesia's cities was a significant and growing source of greenhouse gases and other pollutants. Another rep argued for the need for better peat land management. At the same time, they pointed out the need for financial incentives to avoid deforestation and a national regulatory framework for REDD. On the positive side, one participant highlighted electrification of rural areas using clean energy technology was a green-growth opportunity.

¶11. (SBU) A common concern voiced by NGOs was that President Yudhoyono was not going to make headway achieving his higher emissions target without significant assistance from developed countries. The more concrete support that was offered early on, the easier it would be for Yudhoyono to achieve his emissions targets. One environmental economist noted the scarcity of research and data on greenhouse gas emissions and climate change impacts in Indonesia. This presented yet another possible area for partnership and capacity building.

SITE VISIT TO CLEAN AIR PROJECT

¶12. Administrator Jackson visited an existing air quality monitoring station managed by the City of Jakarta. During the visit, City of Jakarta staff highlighted the lack of operational monitors throughout Jakarta and how information from the monitors is collected and reported. Staff also highlighted steps the City of Jakarta has taken to improve air quality, such as "Car Free Day." Jackson confirmed EPA's commitment to offer technical assistance and work with the City of Jakarta to improve air quality management.

¶13. (U) Administrator Jackson has cleared this message.

Hume#